

if they were members of the NASD for purposes of arbitration.

In addition, the Commission believes that the proposed rule change adequately provides for the enforcement of Phlx Rule 950, Section 44, because Phlx will continue to be responsible for the enforcement and disciplining of members regarding arbitration. A Phlx member's failure to pay an arbitration award rendered pursuant to the NASD's Code would constitute a violation of Phlx Rule 950, Section 44, since it is that rule, as amended, that subjects Phlx members to the NASD's Code. Similarly, a Phlx member's refusal to submit to arbitration pursuant to the NASD's Code would constitute a violation of Phlx Rule 950, Section 44.

Finally, the Phlx provides adequate measures for the transition from the Phlx arbitration forum to the NASD arbitration form. Even though the Phlx will no longer accept any new claims filed with the arbitration program as of October 1, 1998, it will continue to operate its program in order to administer its current, open cases and any new claims received prior to October 1, 1998. The Exchange will then discontinue its arbitration program when all such cases have been closed.³⁰

The Commission also believes that the proposed rule change combining the customer and member arbitration programs helps protect the public interest by focusing the Exchange's arbitration efforts on its existing arbitration docket, including arbitrations involving member controversies. The Commission believes that the proposed rule change provides a fair procedure for members to arbitrate any dispute claim or controversy arising out of or in connection with the securities business and further notes that the proposed rule change is necessary in order to arbitrate pending member cases.

The Exchange has requested that the Commission approve the proposal prior to the thirtieth day after the date of publication of notice of the proposal in the **Federal Register**. The Commission finds good cause for approving the proposed rule change prior to the

thirtieth day after the date of publication of notice thereof in the **Federal Register**, because the Commission believes that the proposed rule change will allow for fair arbitration of all member arbitration claims and will facilitate the processing of the Exchange's remaining arbitration cases by permitting both public customers and members to arbitrate their disputes.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,³¹ that the proposed rule change (SR-Phlx-98-28), as amended, is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³²

Margaret H. McFarland,

Deputy Secretary.

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DEPARTMENT OF STATE

[Public Notice No. 2901]

Overseas Security Advisory Council (OSAC) Meeting Notice; Closed Meeting

The Department of State announces a meeting of the U.S. State Department—Overseas Security Advisory Council on October 27, 28, and 29, at the State Department in Washington, D.C. Pursuant to Section 10(d) of the Federal Advisory Committee Act and 5 U.S.C. 552b(c)(1) and (4), it has been determined the meeting will be closed to the public. Matters relative to classified national security information as well as privileged commercial information will be discussed. The agenda calls for the discussion of classified and corporate proprietary/security information as well as private sector physical and procedural security policies and protective programs at sensitive U.S. Government and private sector locations overseas.

For more information contact Marsha Thurman, Overseas Security Advisory Council, Department of State, Washington, D.C. 20522-1033, phone: 202-663-0869.

Dated: September 21, 1998.

Peter E. Bergin,

Director of the Diplomatic Security Service.

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DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Termination of Operating Authority of Certain Foreign Air Carriers

AGENCY: Office of the Secretary, Department of Transportation.

ACTION: Order to Show Cause, Docket OST-98-4531, Order 98-10-3.

SUMMARY: The Department is inviting comments on its tentative decision to terminate the foreign air carrier permit and exemption authority held by 47 foreign air carriers. These foreign air carriers have failed to file family assistance plans with the Department and the National Transportation Safety Board, as required by the Foreign Air Carrier Family Support Act of 1997 (Act), 49 U.S.C. 41313. The Act, signed into law by the President on December 16, 1997, requires foreign air carriers to file plans for addressing the needs of families of passengers involved in an aviation disaster. The deadline for filing the plans was June 15, 1998. Since that time, the Department has taken repeated measures to notify foreign carriers of their responsibility to file their plans, and to offer assistance to the affected carriers. Of the 252 foreign air carriers required to file plans, 205 have done so. The Department believes that the continued failure of the remainder to file, particularly in the face of repeated advisories from the Department that they must do so, constitutes grounds for termination of those carriers' authority to serve the United States. Of the 47 non-filing carriers, the Department has received information that at least 32 are no longer in business, and that others no longer conduct any U.S. operations, have no near-term plans to do so, and do not oppose the termination of their authority. The 47 foreign air carriers whose authority the Department proposes to terminate are: Aero Transcolombiana de Carga Ltda.; Aerolineas Latinas, C.A.; Aeronautica de Cancun, S.A.; Aeronaves del Peru, S.A.; Air Manitoba Limited; Air Niagara Express, Inc.; Anglo Airlines Limited; Blue Scandinavia AB; Caicos Caribbean Airways Limited; Canair Cargo Ltd.; ChallengAir; Cherokee Air, Ltd.; Cleare Air Limited; Compania de Aviacion "Faucett", S.A.; Garuda Indonesia; General Air Cargo, G.A.C., C.A.; Interestatal de Aviacion, S.A.; Jet Air International Charters, C.A.; Jetall Holdings Corp.; Jetflight Limited; Kar-Air oy; Lineas Aereas La-Tur, S.A.; Nigeria Airways, Ltd.; Nordic European Airlines International AB; North Cariboo Flying Service Ltd.; North Coast

³⁰ The Commission notes that the Exchange has stated that at that time it will submit a filing to the Commission to delete provisions of Rule 950, except for those provisions regarding the transfer of its arbitration program to the NASD. The Commission notes that Phlx should also not delete the part of the Phlx Rule 950, Section 39, which generally provides that it may be deemed conduct inconsistent with just and equitable principles of trade for a member, member organization or person associated with a member to fail to arbitration on demand, fail to appear or to produce any document in his possession or control as directed, or fail to honor an award of arbitrators properly rendered when required by Rule 950.

³¹ 15 U.S.C. 78s(b)(2).

³² 17 CFR 200.30-3(a)(12).